



FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

SEP 17 2004

Ralph M. Davisson
Vice President and General Counsel
Potlatch Corporation
601 W. Riverside Ave., #1100
Spokane WA 92201

RE: MUR 5428
Potlatch Corporation

Dear Mr. Davisson:

On September 9, 2004, the Federal Election Commission accepted the signed conciliation agreement and the civil penalty and disgorgement checks submitted on behalf of Potlatch Corporation in settlement of a violation of 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to Potlatch Corporation.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

Enclosed you will find a fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script, reading "Dawn M. Odrowski".

Dawn M. Odrowski
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Potlatch Corporation

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MUR 5428

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe Potlatch Corporation ("Respondent" or "Potlatch") violated 2 U.S.C. § 441b.

NOW THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Potlatch Corporation is a Delaware corporation registered to do business in Idaho and Arkansas. Potlatch has established and administered a separate segregated fund, Potlatch Employees' Political Fund ("the Political Fund"). The Political Fund is a political committee within the meaning of 2 U.S.C. § 431(4).

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2. The Republican Party of Arkansas ("the Committee") is registered with the Commission as the Republican state party committee in Arkansas and is a political committee within the meaning of 2 U.S.C. § 431(4). In addition to the Committee, the state party maintains non-federal accounts.

3. The Federal Election Campaign Act of 1971, as amended ("the Act") prohibits a corporation from making any contribution or expenditure, directly or indirectly, in connection with any Federal election. 2 U.S.C. § 441b(a). The term "contribution or expenditure" includes "direct or indirect payment, distribution, loan, advance, deposit or gift of money, or any services or anything of value . . . to any candidate or political committee, or political party or organization in connection with any" Federal election. 2 U.S.C. § 441b(b)(2). The term does not include the establishment, administration and solicitation of contributions to a separate segregated fund. 2 U.S.C. § 441b(b)(2)(C). A separate segregated fund is a political committee under the Act and may solicit funds with which to make contributions in accordance with the Act. *See* 2 U.S.C. §§ 431(4)(B), 441b(b) and 441a(a).

4. Potlatch made a \$5,000 contribution to the Committee on March 22, 2000 with a check drawn on a corporate account rather than on its Political Fund.

5. Potlatch received a refund of its contribution from the Committee on or about May 11, 2004.

V. 1. Respondent made a prohibited contribution to the Committee in violation of 2 U.S.C. § 441b.

2. Respondent will cease and desist from violating 2 U.S.C. § 441b.

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VI. 1. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Two Thousand Five Hundred Dollars (\$2,500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

2. Respondent will disgorge to the U.S. Treasury Five Thousand Dollars (\$5,000), an amount equal to the refunded corporate contribution.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may initiate a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties thereto have executed it and the Commission has approved the entire agreement.

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XII. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral,

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made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence H. Norton
General Counsel

BY: Rhonda J. Vosdingh
Rhonda J. Vosdingh
Associate General Counsel for Enforcement

9/16/04
Date

FOR THE RESPONDENTS:

DELTATEX CORPORATION

By: Ronald L. Duvall
Vice President and
General Counsel

July 1, 2004
Date

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